

Shire of Lake Grace

Special Council Meeting



NOTICE PAPER

To the President and Councillors

In accordance with the provisions of Section 5.5 of the Local Government Act 1995, you are hereby notified that a Special Meeting of Council has been convened:

Date: Friday 1 August 2014

At: Council Chambers, 1 Bishop St, Lake Grace WA

Commencing: 10.30 am

To adopt the 2014/15 Budget as per the item of business in the agenda set out on the following pages.

A handwritten signature in blue ink, appearing to be 'N. Hale', is written over a horizontal line.

Neville Hale
Chief Executive Officer

28 July 2014
Date

Shire of Lake Grace

Special Council Meeting

Agenda

1 August 2014

Meeting Commencing at 10.30 am

Disclaimer

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In particular and without derogating in any way from the broad disclaimer above, in any discussion regarding any planning application or application for license, any statement or limitation or approval made by a member or officer of the Shire of Lake Grace during the course of any meeting is not intended to be and is not taken as notice of approval from the Shire of Lake Grace. The Shire of Lake Grace warns that anyone who has an application lodged with the Shire of Lake Grace must obtain and only should rely on WRITTEN CONFIRMATION of the outcome of the application and any conditions attaching to the decision made by the Shire of Lake Grace in respect of the application.



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SHIRE OF LAKE GRACE

Agenda for the Special Meeting of Council to be held at Council Chambers, 1 Bishop St Lake Grace on Friday 1 August 2014. The purpose of the meeting is to adopt the 2014/15 Budget.

1.0 OPENING & ANNOUNCEMENT OF VISITORS

The Chairperson (Shire President) opened the meeting at __ am.

2.0 ATTENDANCE RECORD

2.1 PRESENT

| | |
|--------------------|---------------------------------|
| Cr AJ Walker | Shire President |
| Cr JF De Landgraft | Deputy Shire President |
| Cr LW Armstrong | |
| Cr R Chappell | |
| Cr SG Hunt | |
| Cr DP Sinclair | |
| Cr MG Stanton | |
| | |
| Mr NA Hale | Acting Chief Executive Officer |
| Mr M Harrop | Manager Infrastructure Services |
| Mrs L Holben | Manager Community Services |
| Mrs J Bennett | Executive Assistant |
| | |
| _____ | Observer |

2.2 APOLOGIES

Cr DS Clarke

2.3 LEAVE OF ABSENCE PREVIOUSLY GRANTED

Cr Marshall

As per motion 11836 at the 25 June 2014 Ordinary Meeting, Cr Marshall has approved leave of absence from 20 July 2014 to 4 August 2014.

3.0 PUBLIC QUESTION TIME

4.0 DECLARATIONS OF INTEREST

4.1 DECLARATIONS OF FINANCIAL INTEREST – LOCAL GOVERNMENT ACT SECTION 5.60A

4.2 DECLARATIONS OF PROXIMITY INTEREST – LOCAL GOVERNMENT ACT 1995 SECTION 5.60B

4.3 DECLARATIONS OF IMPARTIALITY INTEREST – ADMINISTRATION REGULATION SECTION 34C

5.0 MATTERS FOR CONSIDERATION

5.1 2014/15 BUDGET ADOPTION

Applicant: Chief Executive Officer
File No. 0756
Attachments: No 1 2014/15 Statutory Budget
 No 2 Schedules
 No 3 Fees & Charges
 No 4 Elected Member Allowances
Author: Mr Neville Hale

Chief Executive Officer

Disclosure of Interest: Nil
Date of Report: 29 July 2014
Senior Officer: Mr Neville Hale

Chief Executive Officer

Summary

For Council to consider and adopt the Municipal Fund Budget for the 2014/15 financial year together with supporting schedules, including the striking of the municipal fund rates, establishment of new reserve funds, setting of elected member's fees for the year, establishment of new loan fund borrowings and other consequential matters arising from the budget papers.

Background

The 2014/15 budget has been compiled on the principles contained in the revised Strategic (Community) Plan and other informing documents including the Forward Capital Works Plan, Five Year Road Program and Asset Management Plan.

The 2014/15 budget has been prepared in accordance with the presentations made to Councillors at the budget workshops held in June and July.

Comment

The budget has been prepared to include information required by the *Local Government Act 1995*, *Local Government (Financial Management) Regulations 1996* and *Australian Accounting Standards*. The main features of the draft budget include:

- The budget has been prepared with a 5% increase in the general rate to align with the forward financial plans contained in the Strategic Plan and other supporting plans.
- General Fees and charges have increased by 3% (CPI) with some variation for rounding. Statutory fees and charges such as those for Town Planning have increased per legislative requirements. Hall hire, bonds and rentals have increased to match market conditions but with no charge to local residents.

- Household and commercial waste charges are proposed to increase in the range of 3% to 27% (\$26) to meet the cost of waste facility management.
- Capital works totalling \$5.5M is planned. Expenditure on road infrastructure (\$2.0M) is a major component of this spending along with buildings (\$2.5M). Additionally the Shire will construct four new Independent Living Units in Newdegate (\$1.35M) and continue capital works on the Lake Grace Sporting Precinct (\$0.49M). The Tractor Museum (\$39K) at Lake King, the Newdegate Lesser Hall improvements (\$216K) and a Community Men's Shed (\$50K) in Lake Grace will be undertaken.
- Loan borrowings of \$110,000 are proposed to fund the Lake Grace Development Association as a Self-supporting Loan.
- Reserve transfers are planned. Funds will be utilised for Plant Replacement (\$50K), Newdegate Lesser Hall (\$160K) and the Newdegate Hall (\$20K) with some \$180 of as yet unspent SARs funds being allocated to this year's expenditures. Funds will also be transferred to the following Reserves; Lake Grace Swimming Pool (\$10K) and Plant Reserve (\$63K) are included. A new Reserve for a history book to be developed (\$5K) will be established.
- An estimated surplus of \$787K is anticipated to be brought forward from 30 June 2014. However this is unaudited and may change. Any change will be addressed as part of a future budget review.
- Principal grant funding for the year is estimated from:

| | \$ |
|---------------------------------------|-----------|
| Community Sport & Rec Facilities Fund | 189,000 |
| MRWA – general contribution | 230,000 |
| Grants Commission General | 972,524 |
| Grants Commission Roads | 1,235,612 |
| Royalties for Regions CLGF Regional | 1,165,930 |
| Regional Road Group (MRWA) | 250,000 |
| Roads to Recovery | 510,000 |

Legal Implications

Section 6.2 of the *Local Government Act 1995* requires that not later than 31 August in each financial year, or such extended time as the Minister allows, each local government is to prepare and adopt, (Absolute Majority required) in the form and manner prescribed, a budget for its municipal fund for the financial year ending 30 June of the next year.

- *Local Government (Functions and General) Regulations 1996*
- *Cemeteries Act 1986*
- *Waste Avoidance and Resources Recovery Act 2007*
- *Local Government (Miscellaneous Provisions) Act 1960*
- *Australian Accounting Standards*

Policy Implications

N/A

Consultation

Internal Staff
Council

External Community groups (and Councillors) have had the opportunity to Submit budget requests.

Financial Implications

The Budget document establishes activities which the Shire will pursue during the 2014/15 financial year.

Strategic Implications

Nil

Recommendation

1. That Council adopt all recommendations in parts A to J as follows as its budget for 2014/15:

PART A - MUNICIPAL FUND BUDGET FOR 2014/15

Pursuant to the provisions of section 6.2 of the *Local Government Act 1995* and Part 3 of the *Local Government (Financial Management) Regulations 1996*, the council adopt the Municipal Fund Budget as contained in Attachment 1 of this agenda for the Shire of Lake Grace for the 2014/15 financial year which includes the following:

- Statement of Comprehensive Income by Nature and Type on page 2 showing a net result for that year of \$2,510,785.
- Statement of Comprehensive Income by Program on page 3 showing a net result for that year of \$2,510,785.
- Statement of Cash Flows on page 5.
- Rate Setting Statement on page 6 showing an amount required to be raised from rates of \$2,676,576 which includes Ex Gratia rates of \$51,929 and interim rates of \$5,775.
- Notes to and Forming Part of the Budget on pages 7 to 35
- Budget schedules as detailed in Attachment 2 pages 1 to 29
- Transfers to/from Reserve accounts as detailed pages 22 to 25 of Attachment 1.

PART B – GENERAL AND MINIMUM RATES, INSTALMENT PAYMENT ARRANGEMENTS

1. For the purpose of yielding the deficiency disclosed by the Municipal Fund Budget adopted at Part A above, Council, pursuant to sections 6.32, 6.33, 6.34 and 6.35 of the *Local Government Act 1995*, impose the following general and minimum rates on Gross Rental and Unimproved Values.

1.1 General Rates

| | |
|--------------------------|----------------------------|
| Gross Rental Value (GRV) | 8.7052 cents in the dollar |
| Rural (UV) | 0.8768 cents in the dollar |

1.2 Minimum Rates

| | |
|--------------------------|-------|
| Gross Rental Value (GRV) | \$400 |
| Unimproved Value (UV) | \$400 |

2. Pursuant to section 6.45 of the *Local Government Act 1995* and regulation 64 (2) of the *Local Government (Financial Management) Regulations 1996*, Council nominates the following due dates for payment in full or by instalments:
 - Full payment and 1st instalment due date 9 September 2014
 - 2nd half instalment due date 10 January 2015
 - 2nd quarterly instalment due date 10 November 2014
 - 3rd quarterly instalment due date 10 January 2015
 - 4th quarterly & final instalment due date 10 March 2015
3. Pursuant to Section 6.46 of the *Local Government Act 1995*, Council does not undertake to offer discount for payment of rates within the 35 days after the date of issue of rates notices.
4. Pursuant to section 6.45 of the *Local Government Act 1995* and regulation 67 if the *Local Government (Financial Management) Regulations 1996*, Council adopts an instalment administration charge where the owner has elected to pay rates (and service charges) through an instalment option of \$11 for each instalment after the initial instalment is paid.
5. Pursuant to section 6.45 of the *Local Government Act 1995* and regulation 68 of the *Local Government (Financial Management) Regulations 1996*, Council adopts an interest rate of 5.5% where the owner has elected to pay rates and service charges through an instalment option.
6. Pursuant to section 6.51 (1) and subject to section 6.51 (4) of the *Local Government Act 1995* and regulation 70 of the *Local Government (Financial Management) Regulations 1996*, Council adopts an interest rate of 11% for rates (and service charges) and costs of proceedings to recover such charges that remains unpaid after becoming due and payable.

PART C – RESERVE FUNDS – NEW RESERVES ESTABLISHED

Pursuant to section 6.11 of the *Local Government Act 1995* a History Book Reserve be established. The purpose of the reserves is as follows:

- History Book Reserve

To be used to meet expenditure relating to the development of a History Book.

PART D – GENERAL FEES AND CHARGES FOR 2014/15

Pursuant to section 6.16 of the *Local Government Act 1995*, council adopts the fees and charges as per Attachment 3 of this Agenda.

PART E – OTHER STATUTORY FEES FOR 2014/15

1. Pursuant to Part 7 Local Government Planning Charges *Planning and Development Regulations 2009* that Council adopts the Fees and Charges for Planning Services within the Shire of Lake Grace as included in Attachment 3 of this Agenda.

2. Pursuant to section 67 of the *Waste Avoidance and Resources Recovery Act 2007*, Council adopt the following charges for the removal and deposit of domestic and commercial waste:

Refuse Removal Charges

| | |
|--|---------------------|
| Lake Grace Weekly Kerbside Collection (per year) | \$120.00 (GST Free) |
| Newdegate Weekly Kerbside Collection (per year) | \$120.00 (GST Free) |
| Lake King Weekly Kerbside Collection (per year) | \$120.00 (GST Free) |
| Varley Weekly Kerbside Collection (per year) | \$120.00 (GST Free) |

Pensioners Discount (Refuse Collection 1st Bin) 50%

(As determined by the *Pensioners (Rates, Rebates and Deferrals) Act 1995*)

| | |
|---|--------------------|
| Additional Lake Grace Weekly Kerbside Collection (per year) | \$106.00 (Inc GST) |
| Additional Newdegate Weekly Kerbside Collection (per year) | \$106.00 (Inc GST) |
| Additional Lake King Weekly Kerbside Collection (per year) | \$106.00 (Inc GST) |
| Additional Varley Weekly Kerbside Collection (per year) | \$106.00 (Inc GST) |

Recycling Collection

| | |
|---|---------------------|
| Lake Grace Fortnightly Kerbside Collection (per year) | \$124.00 (GST Free) |
| Newdegate Fortnightly Kerbside Collection (per year) | \$124.00 (GST Free) |

4. Pursuant to section 67 of the *Waste Avoidance and Resources Recovery Act 2007* and section 6.16 of the *Local Government Act 1995* Council adopt the following charges for the deposit of commercial waste:

| | |
|--|--------------------|
| Trade and Other Refuse (per m ³) | \$77.00 (Inc GST) |
| Commercial (per m ³) | \$11.00 (Inc GST) |
| Asbestos Disposal | \$132.00 (Inc GST) |
| Additional tonne Asbestos | \$66.00 (Inc GST) |

PART F – ELECTED MEMBERS FEES AND ALLOWANCES FOR 2014/15

Pursuant to the *Salaries and Allowances Act 1975*, section 5.99 of the *Local Government Act 1995* and regulation 34 of the *Local Government (Administration) Regulations 1996* Council adopt the following annual fees for payment to elected members:

| | |
|---------------------------------------|----------------------------|
| President Allowance | \$19,570 |
| Deputy President Allowance | \$4,892 |
| Council Sitting Fees | |
| President | \$320 per meeting attended |
| Councillors | \$160 per meeting attended |
| Committee Meeting Sitting Fees | |
| Elected Members | \$80 per meeting attended |

Note: The committee meeting sitting fee only applies if the committee is a committee of council.

PART G – MATERIAL VARIANCE REPORTING FOR 2014/15

In accordance with regulation 34(5) of the *Local Government (Financial Management) Regulations 1996*, and *AASB 1031 Materiality*, the level to be used in statements of financial activity shall be 10% or \$5,000 whichever is the greater.

PART H – SPECIFIED AREA RATES

That in accordance with section 6.37 of the *Local Government Act 1995* the specified area rates to recoup costs of recreation and culture operating expenses for the Lake Grace, Newdegate, Lake King and Varley area being \$566,228, \$282,033, \$104,332 and \$71,461 respectively for the 2014/15 rating year be raised on those properties identified as being within the specified area as follows:

| Sport & Recreation | Cents in the \$ | Basis of Rate | Rateable Value | 2014/15 Budgeted Revenue |
|-------------------------------|------------------------|----------------------|-----------------------|---------------------------------|
| Varley | 3.4978 | GRV | 116,719 | 4,083 |
| Varley | 0.1730 | UV | 312,875,000 | 54,239 |
| Lake King | 1.9081 | GRV | 240,231 | 4,584 |
| Lake King | 0.1381 | UV | 520,154,000 | 71,815 |
| Newdegate | 5.2620 | GRV | 690,819 | 36,351 |
| Newdegate | 0.2147 | UV | 95,924,000 | 205,987 |
| Lake Grace | 6.1174 | GRV | 2,899,176 | 177,355 |
| Lake Grace | 0.5020 | UV | 78,642,700 | 394,757 |
| | | | Total | 949,171 |

PART J – SEWERAGE CHARGES

That the rates for the Lake Grace Sewerage Scheme for 2014/15 rating year be based on the schedule of rates approved by Cabinet in respect to subsidised sewerage schemes, being:

| | Rate in \$ or Charge | Basis of Rate | Rateable Value | 2014/15 Budgeted Revenue \$ |
|----------------------------|-----------------------------|----------------------|-----------------------|------------------------------------|
| Lake Grace Sewerage | | | | |
| Residential | 4.4477 | GRV | 1,956,050 | 86,999 |
| Commercial | 4.4477 | GRV | 618,713 | 27,518 |
| Vacant | 4.4477 | GRV | 112,801 | 5,017 |
| | | | | |
| 1st Major Fixture | 224.96 | GRV | | 6,748 |
| Additional Fixtures | 98.96 | GRV | | 4,453 |
| | | | Total | 130,735 |

2. That Council approve the following new loan fund borrowings:

A \$110,000 loan to be repaid over five years which is a Self-supporting loan for the Lake Grace Development Association.

Voting Requirements

Absolute majority (5) required.

Resolution

Moved Cr

Seconded Cr

6.0 CLOSURE

There being no further business, the Chairperson closed the meeting at ___ am.

7.0 CERTIFICATION

I Andrew James Walker certify that the minutes of the special meeting held on the 1 August 2014 as shown were confirmed as a true record at the meeting held on the 27 August 2014.

Chairman

Date